



LOMA LINDA UNIVERSITY  
HEALTH



DISTRICT HOSPITAL LEADERSHIP FORUM



Keck  
Medicine  
of USC



March 3, 2022

The Honorable Susan Talamantes Eggman  
Chair, Senate Budget and Fiscal Review Committee, Subcommittee No. 3 on Health and Human Services  
1021 O St., Suite 8530  
Sacramento, CA 95814

The Honorable Dr. Joaquin Arambula  
Chair, Assembly Budget Committee, Subcommittee No. 1 on Health and Human Services  
1021 O St., Room 6240  
Sacramento, CA 95814

**Subject: Invest in Medi-Cal Graduate Medical Education – Support CHA Request**

Dear Senator Eggman and Assembly Member Arambula:

As a coalition, we support the California Hospital Association’s (CHA) proposal to add funding to the state’s graduate medical education (GME) program and ensure Californians have access to the care they deserve. It is vital to the health of Californians to further fund **programs that train doctors across the state.**

As result of the pandemic, California hospitals are facing the worst staffing shortage in recent history. Nationally, the number of health care workers has dropped by 20% since the beginning of the pandemic – with many deciding to retire early, leave hospital employment, or leave the profession altogether. In California, more than 40% of hospitals are experiencing dire workforce staffing challenges at a time when our state’s health workforce is already depleted, after nearly two years of fighting the pandemic.

California is home to the second largest number of teaching hospitals and residents in the country, second only to New York, providing hands-on experience and training for the state's future physicians. However, even though our hospitals train more doctors than nearly every other state, California is nearly last in the country with state support for GME programs. Absent two small physician training programs funded by the state's general fund, these costly GME programs for most hospitals are largely underfunded and will be at risk as hospitals begin their long road to financial recovery following the pandemic.

As we've seen previously, there is a unique opportunity to receive enhanced federal funding to support GME in the Medi-Cal program. In fact, California received approval from the Centers for Medicare & Medicaid Services (CMS) to implement the Medi-Cal GME program in 2018. Unfortunately, the CMS-approved GME program is limited to 21 designated public hospitals because the state required it to be self-financed. While the current GME program is truly a success — bringing in over \$240 million in federal funding annually — over 85 private and district hospitals currently are not eligible to participate. Unlike the proposed \$1.7 billion in workforce investments, investing from the state's general fund for this program is a unique opportunity to generate hundreds of millions in new federal funds to support our workforce concerns.

For these reasons, CHA is proposing the following:

- Expand the Medi-Cal GME program to include all eligible hospitals, not just the designated public hospitals
- Invest ongoing state general funds to support Medi-Cal GME

Supporting these GME programs will be critical in addressing our depleted health care workforce. We urge state leaders to expand Medi-Cal GME to private and district hospitals and eliminate the requirement for designated public hospitals to self-finance their vulnerable programs.

Sincerely,

California Hospital Association (CHA)  
Adventist Health  
Alliance of Catholic Health Care  
Association of California Healthcare Districts  
California Association of Public Hospitals and Health Systems  
California Children's Hospital Association  
Cedars Sinai  
District Hospital Leadership Forum  
Keck Medicine of USC  
Loma Linda University Health  
Private Essential Access Community Hospitals  
Scripps Health  
Tenet Healthcare  
University of California  
United Hospital Association (UHA)

Senator Eggman and Assembly Member Arambula  
March 3, 2022

cc: Members, Senate Budget Subcommittee No. 3  
Members, Assembly Budget Subcommittee No. 1  
Scott Ogus, Consultant, Senate Budget Subcommittee No. 3  
Andrea Margolis, Consultant, Assembly Budget Subcommittee No. 1  
Anthony Archie, Senate Republican Caucus  
Eric Dietz, Assembly Republican Caucus  
Dr. Mark Ghaly, Secretary, Health and Human Services Agency  
Richard Figueroa, Deputy Cabinet Secretary, Office of the Governor  
Tam Ma, Deputy Legislative Secretary, Office of the Governor  
Michelle Baass, Director, Department of Health Care Services